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FOREIGN SERVICE DESPATCH

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DESP. NO.

FROM: AMEMBASSY, GUATEMALA

TO: THE DEPARTMENT OF STATE, WASHINGTON.

August 6, 1954
DATE

REF:

Action Assigned to AMS 10-1954

For Dept. Use Only	ACTION	DEPT.	Action Taken
	OLI-10	OC/R-2	ARA-2 S/MSA-2 VIA-2
	REC'D 8/12	INFO OTHER	Army-35 Navy-39 air-24 OSD-4 OCB

SUBJECT: Joint Weekly No. 32 From State, Army and Air Departments from S.

Date of Action

DECLASSIFICATION DATE 11/22/76

Action Office Symbol ARA-10 C/A-2

PER Platt OFFICE ARA

FADRC FOI CASE NO. 640259

SUMMARY of Action Office

Lieutenant Colonel Carlos CASTILLO Armas and the Junta over which he presides this week narrowly weathered the first insurrection against the new government, which began on August 2, when the Corps of Cadets of the Escuela Politecnica attacked an encampment of Castillo Armas' "Liberation Army" in the outskirts of the city to avenge an alleged insult. Certain disgruntled Army officers, defying the Junta's orders, then led the Second Regiment at the Base Militar in support of the cadet's attack and seized several key installations in Guatemala City with the evident intent of assuming control of the government.

Fighting on the outskirts of the city lasted all day on August resulting in the surrender of the 600-strong "Liberation Army" contingent which suffered most of the casualties, totalling about 25 dead and 70 wounded. However, on the following day the Junta succeeded in putting down the rebellion in a dramatic show of force in which 11 planes flew over the Base Militar threatening to bomb it while the rest of the capital's garrison was prepared to storm it. The rebel officers gave themselves up and were arrested. The Junta is now investigating to determine if a plot was involved.

The public was elated at the show of strength by Castillo Armas' government and the city quickly returned to normal on the surface. The rebellion, however, showed that the foundation of the regime was still very shakey and that it has much work ahead to fasten its authority firmly on the Army and on the civilian anti-Communist and "Liberation" organizations which lost all semblance of discipline during the crisis.

These events overshadowed the news that the Guatemalan Government had taken two solid steps earlier in the week to reintegrate the nation in the Western Community by adhering to the Caracas Resolution against Communism and petitioning to rejoin the Organization of Central American States (ODECA). The crisis also drew attention away from other basic problems, including the increasingly evident one that the government was in a nearly desperate immediate financial condition.

JCHill:cs
REPORTER

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ACTION COPY — DEPARTMENT OF STATE

The action office must return this permanent record copy to DC/R files with an endorsement of action taken.

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DOMESTIC

F790005-0858

The Rebellion at the Base Militar: Behind this week's events was dissatisfaction in the Army resulting from the rankling sense of humiliation of the Officer's Corps at the professional army's inability to cope with Castillo Armas' "Liberation Army" and Air Force before the fall of the Arbenz Government, and the uneasiness which naturally extended through the Armed Forces as officers wondered what their fate would be in the shake-up expected from the new government. Since Castillo Armas' triumphal entry into Guatemala City at the beginning of July, this situation had apparently been aggravated by the Junta's failure to adopt a resolute policy to weed out and isolate malcontent officers and by the jeers to which uniformed Army personnel are reported to have been subjected by the populace, and especially by the swaggering youngsters carrying the brassard of the "Liberation Army." The professional officers, believing the Army's "honor" was at stake, came to a frame of mind that they could fall prey to adventurers associated with the Arbenz regime in their midst who wanted to gain control of the country.

Into this explosive situation the Junta brought a contingent of 600 soldiers of the "Liberation Army" from the Eastern departments into Guatemala City for the celebration of a "Day of National Unity of the Army" after which the Liberation soldiers were to be incorporated in the Regular Army or, in most cases, gradually demobilized. The ceremonies, at which the speakers were Castillo Armas and Colonel Elfego MONZON, the second figure in the Junta, took place on August 1 on the main parade ground and the bulk of the decorations and the crowd's applause went to the straw-hatted campesinos with the blue Liberation brassard while the small regular army contingent in the parade was largely met with silence.

During that night some 60 cadets of the Escuela Politecnica, agitated a report that two of their comrades had been stripped and forced to dance naked in a house of prostitution, were incited by ringleaders now being investigated to attack the "Liberation Army" encampment at the Roosevelt Hospital on the outskirts of the city. Joined initially by some 60 soldiers, they began the attack on the hospital before 4 A.M. After daylight came, a Liberation Air Force pilot strafed the cadets, allegedly without instructions, further exciting the regular officers since the Cadet Corps is regarded as the symbol of the Army. By mid-morning it was clear that the Base Militar, under the leadership of Colonel Gabriel SANCHEZ and Major Manuel COCA, were aiding the cadet group in an all-out effort to liquidate the "Liberation Army" units despite the orders of the Junta. Fighting continued through the rest of the day until the "Liberation Army," holed up in the Roosevelt Hospital buildings and short of food and ammunition, capitulated, was disarmed, marched as prisoners of war through the city, and loaded into trains to be returned to Eastern Guatemala.

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During the fighting, the Base Militar also took steps which made it clear that its object was not merely to take revenge on the Liberation Army but also to gain control of the government. Although it never openly raised the banner of insurrection against Castillo Armas, step by step the Base Militar placed guards on the Air Force planes stationed on the adjoining airport, sent a detail to the railroad despatcher's office to take charge of rail traffic, blocked off the important roads in the Southwest of the city, secured the cooperation of an Army detail which had been placed in the national radio station, TGW, and refused to obey the orders of the Junta and the senior army commanders.

However, public sentiment quickly and strongly consolidated against the rebellion. There were repeated demonstrations in the city in favor of Castillo Armas and thousands gathered outside his house. Anti-Communist organizations supporting him drew up and began to carry out various plans to save his government, and though these plans were so conflicting and alarmist as to bring the capital near anarchy, they reflected a deep wish to have Castillo Armas stay on at the head of the nation. In the Armed Forces sentiment appears at first to have been strongly in favor of the cadets when it appeared that only a trouncing to show up the Liberation Army was involved, but swung over to the Castillo Armas side as it became clear to the officers that rebellion was involved and Colonel Monzón was aligned with Castillo Armas.

On the morning of the following day, August 3, the rebel officers in the Base Militar sought a parley with Castillo Armas and gave assurances of their loyalty but did not offer to give up the key installations they controlled. The Junta determined to suppress the rebellion by force. Early that afternoon, the Air Force succeeded by a ruse in persuading the Base Militar to remove the guards on its airplanes, including two recently acquired P-51's and a "Liberation" F-47. (Reportedly Colonel URRUTIA, Chief of the Air Force, persuaded the rebel leaders he was on their side and would use the planes to bomb the "Liberation Army" in the east.) The planes were moved to other bases and eleven of them returned late in the afternoon to fly over the Base Militar. The Junta sent an ultimatum to the rebellious officers to surrender, and was prepared to bomb and shell the Base Militar and storm it with the First Regiment and other troops whose loyalty had been assured. This proved unnecessary as Colonel CANDOVAL and Major SOSA surrendered themselves and were arrested and replaced with officers believed to be loyal.

Other officers involved in the rebellion were also imprisoned. Major Adolfo GARCIA Montenegro, Arbenz' Ambassador to Cuba, and Colonel René VALENZUELA, his Military Attaché in El Salvador, took refuge in the Papal Nunciature. The Junta has ordered a full investigation, suspecting that the whole affair may have been a plot by officers closely linked with the Arbenz regime. It now appears that

there is doubt that the incident in the house of prostitution, which was accepted as fact by all elements at first, actually occurred and "Liberation" officers have told the press that there were attacks on them at Zacapa and Coban on the morning of August 2, simultaneously with the attack on the Roosevelt Hospital.

Aftermath of the Rebellion: Following the surrender of the leaders of the rebellion, Castillo Armas' position was probably stronger than ever before. The populace was elated that in sending the planes over the Base Militar and forcing the surrender, the Junta had at last taken a decisive step and Castillo Armas was more than ever the popular hero. He had tested Colonel Monzón in time of crisis and found him loyal. He had shown the Army that rebellion could be put down and established the basis for a more resolute weeding out of the officer corps.

Nonetheless, the rebellion had exposed great underlying weaknesses in the Junta's position. Despite the willingness of the Guardia de Honor in the end to obey orders, it showed that there was very little active support of Castillo Armas in the Armed Forces and that the job of building up a personal following for him among the officers, without which no one has stayed long in power in Guatemala in modern times, had scarcely begun. It revealed that neither Colonel Monzón nor high officers appointed by the Junta were in firm control of the military. There was also copious evidence that Castillo Armas and Monzón, whose many plans were changed hourly, had acted with much personal courage but with little imagination or resolution: at one stage the former was prepared to give up the fight in the city and the latter advocated such a soft solution to the situation as to allow the officers at the Base Militar to stay at their posts until the ringleaders could be gradually transferred to other stations.

It was also glaringly clear that the civilian anti-Communist organizations lacked discipline and direction from the top. They staged impromptu and uncoordinated demonstrations making conflicting demands, spread inflammatory and untrue rumors among the alarmed populace, and sent their lightly armed partisans about the city, bringing it to the verge of anarchy. Ten or more delegations, leaders of Castillo Armas' civilian supporters, including a Cabinet Minister and other high officials, came to the Embassy with widely divergent plans, ranging from a proposal to return to the Honduran frontier area to begin the fight anew to a proposal that the whole Military Junta, including Castillo Armas, resign and be replaced by a civilian group. Some nine persons were proposed to the Embassy as members of the junta--two by themselves. A speaker at a victory demonstration before the palace on August 4 started to make demands diametrically opposed to Castillo Armas' announced position and the volume of the loudspeakers had to be turned down. From such events it was clear that Castillo Armas yet has to show those qualities of decisive leadership which would convert his vast personal popularity into effective and organized support.

Desp. No.
From Guatemala

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(Classification)

Encl. No.
Desp. No.
From

F790005-0861

FOREIGN AFFAIRS

Guatemala Adheres to Caracas Declaration and Seeks to Rejoin the ODECA: At the formal presentation of the Junta of Government to the diplomatic corps on July 30, Castillo Armas announced Guatemala's adherence to Resolution 93 of the Caracas Conference and its intent to rejoin the ODECA. This was followed by an exchange of cables between Foreign Minister SALAZAR and the Secretary General of the Organization of American States registering Guatemala's adherence to the anti-Communist resolution and by cables from Salazar to the Foreign Ministers of the other Central American states stating Guatemala's intent to rejoin the ODECA.

ECONOMIC

Government in Serious Financial Difficulties: As the new government has looked deeper into its financial situation, left in a state of chaos by the outgoing Arbenz Administration, the extent of the difficulties has become clearer. Though the country is basically economically sound, there is no cash in the public treasury and the Arbenz regime left millions in unpaid wages and bills and there is in addition the salaries and bills due for the month of July. The effect of keeping this spending power out of circulation has been felt by business, which has also been upset by the rebellion.

William L. Krieg
Chargé d'Affaires a.i.

cc: C.A. Missions & Routine

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